

BEFORE THE
BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of Petition for Reinstatement of)	
of Revoked Certificate of:)	OAH No. L-2000110148
)	Case No. SI-2001-6
)	
JEFF R. PALMER)	
)	
Petitioner)	
)	
_____)	

DECISION

This matter was heard before the Board of Accountancy on November 17, 2000 at Los Angeles, California.¹ Board members present and participating in the hearing were: Baxter Rice, President; Donna S. McCluskey, CPA, Vice President; Michael S. Schneider, CPA, Secretary/Treasurer; Robert E. Badham; Walter F. Finch, PA; Harry E. Mikkelsen, CPA; Diane M. Rubin, CPA; Robert J. Shackleton, CPA; Navid Sharafatian, Esq.; and Joseph C. Tambe. Frank Britt, Administrative Law Judge of the Office of Administrative Hearings, presided.

Michael R. Granen, Deputy Attorney General, represented the Office of the Attorney General.

Petitioner Jeff R. Palmer appeared in person and represented himself.

Evidence, both oral and documentary, was received and the matter was submitted. The Board of Accountancy now makes the following findings and Decision.

¹ This petition matter was heard by the Board pursuant to Government Code section 11522.

FACTUAL FINDINGS

1. On January 29, 1982, Certified Public Accountant ("CPA") certificate, No. CPA 34053 was issued to Jeff R. Palmer ("Petitioner"). The certificate ("license") expired on February 1, 1995, and has not been renewed.

2. On September 25, 1992, the Executive Officer of the Board filed an accusation (Case No. AC-93-9) against Petitioner charging various acts of gross negligence and unprofessional conduct. On July 29, 1994, the accusation was settled by stipulation and Petitioner was placed on probation for three years under various terms and conditions.

3. On January 24, 1997, the Executive Officer of the Board filed an Accusation and Petition to Revoke Probation (Case No. D1-93-9) alleging that Petitioner violated the terms of his probation. The matter was heard by an Administrative Law Judge ("ALJ") on January 14, 1998. The ALJ recommended that the license be revoked for violation of certain terms of probation, which included: failure to submit timely quarterly reports as they became due from March 31, 1995 to March 31, 1996; willfully engaging in the practice of public accountancy without a valid permit, and without completing the 80 hours of continuing education required for license renewal.

4. On April 1, 1998, the Board adopted the ALJs Proposed Decision and Petitioner's license was revoked effective May 1, 1998.

5. On or about July 19, 2000, Petitioner filed the instant petition for reinstatement of the revoked license. The petition included a narrative statement, documentary evidence of continuing education courses completed by petitioner since his license was revoked, and four letters in support of the petition. Petitioner also testified at the hearing.

6. Petitioner readily acknowledges that he failed to comply with the stipulated terms of probation that became effective on July 29, 1994. At that time he was launching a new practice and involved in an on-going child custody battle with his former wife. Petitioner used these personal problems as excuses for his failure to comply with the terms of probation. He testified that he was "stupid" in failing to comply with the probationary terms but is now aware that he must take full responsibility for his own actions.

7. Petitioner testified that since his license was revoked he has gotten his life back together. In his declaration attached to the petition he states, "Over the past several years I have been quite humble and have learned to do things the right way despite perceived obstacles, and the straightforward way--life is too short for shortcuts and chances, and I have two children and a fiancée [sic] depending on me for their future."

8. Petitioner has been engaged in the practice of business management over the past several years. He stated that if the license is reinstated he plans to continue his business management practice in West Los Angeles and will also prepare individual and business income tax returns and issue compilations.

9. Letters in support of the petition for reinstatement were received from two clients of Petitioner's business management practice and two CPAs who worked with him over the years. The letters, among other things, describe Petitioner as a knowledgeable and trusted professional; that the revocation of his license was devastating and humbling to him; that he has worked hard to upgrade his knowledge and professional skills; and that he has volunteered time and effort for charitable purposes and other worthy causes.

10. Documentary evidence was received showing that between November 1998 and August 2000 appellant completed a number of courses offered by California CPA Education Foundation for which he received 223 credit hours and 60 credit hours of qualifying education from G & E Tax Institute on Federal and California taxation.

* * * *

DETERMINATION OF ISSUES

It is clear that Petitioner is remorseful about his failure to fully comply with the probationary order. He recognized his foolishness for not complying with the order and immediately began taking positive steps that would lead to the reinstatement of his license. Those steps include, among others, voluntary work for his church, as well as youth and charitable organizations. He also participated in and completed numerous continuing education courses to upgrade his professional skills for which he received 283 credit hours.

The Board concludes from the evidence presented that Petitioner has established rehabilitation under the criteria set forth at Title 16, California Code of Regulations, Section 99.1. In finding rehabilitation, the Board has considered the nature and severity of the acts which constituted the violations and that they occurred more four years ago.

Petitioner has established to the satisfaction of the Board that reinstatement of the revoked license would not be contrary to the public interest.

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* * * *

ORDER

The Petition for Reinstatement of Revoked Certificate number 34053 (Certified Public Accountant) is hereby granted. Said reinstatement shall become effective upon a determination made by the Board's Executive Officer or her designee that Petitioner has completed the necessary hours of continuing education credit in the appropriate courses of studies as provided for at Sections 87 through 87.7 of the Title 16, California Code of Regulations. That determination may be made upon a review of the relevant documents received in evidence in this matter as well as other documents that may subsequently be submitted by Petitioner.

Dated: January 4, 2001


BAXTER RICE
President
Board of Accountancy

BEFORE THE
BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation) Case No. D1-93-9
Against:)
JEFFREY R. PALMER,) OAH No. L-1997060116
Respondent.) DECISION
_____)

The attached Proposed Decision of the Administrative Law Judge is hereby adopted by the Board of Accountancy as its decision in the above-entitled matter.

This Decision shall become effective May 1, 1998.

IT IS SO ORDERED April 1, 1998.

BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By



btm

In the Matter of the Accusation) NO. D1-93-9
and Petition to Revoke Probation)
Against:) OAH NO. L1997060116
)
JEFFREY R PALMER,)
Certified Public Accountant)
Certificate No. CPA 34053,)
)
Respondent.)
)

This matter was heard on January 14, 1998, at Los Angeles, by Jerry Mitchell, Administrative Law Judge of the State of California Office of Administrative Hearings. The complainant was represented by Michael R. Granen, Deputy Attorney General. The respondent was present and represented himself.

1. The Accusation and Petition to Revoke Probation were made and filed by Carol Sigman in her official capacity as Executive Officer of the California State Board of Accountancy ("Board").

3. As used herein, "Section" refers to a section of the California Business and Professions Code.

"12. respondent shall obey all federal, California, other states' local laws,

including all published rules, relating to the practice of public accountancy in California.

"13. During the term of probation, Respondent shall conduct all of his engagements in the State of California in accordance with applicable published professional standards and SBA published rules, including, but not limited to, those applicable to the following:

- (a) compilation of financial statements;
- (b) compilation of prospective financial statements;
- (c) compilation of pro forma financial information;
- (d) conflicts of interest; and
- (e) acceptance of unlawful commissions.

"16. Respondent, within 10 days of completion of the quarter, shall submit quarterly written reports to the Board on a form obtained from the Board.

"23. Any material failure by Respondent to comply with any of the terms of this Stipulation shall be considered an act of unprofessional conduct in violation of California Business and Professions Code Section 5100. In the event of such violation, the Board, after giving Respondent notice and an opportunity to be heard pursuant to the provisions of the Administrative Procedure Act, may revoke probation and impose such discipline as it deems appropriate, up to and including revocation of CPA No. 34053."

4. While Certificate No. CPA 34053 was on probation, respondent materially failed to comply with condition 16 of said probation in that he failed to submit quarterly reports within 10 days of completion of the quarter, for the quarters ended March 31 1995, June 30, 1995, September 30, 1995, December 31, 1995, and March 31, 1996.

5. While Certificate No. CPA 34053 was on probation, respondent materially failed to comply with conditions 12 and 13 of said probation in that, after his certificate expired on February 1 1995, he wilfully engaged in the practice of accountancy without a valid permit, in violation of Section 5050; he wilfully engaged in the practice of public accountancy without the required 80 hours of continuing education required for license renewal under Board Rule 87; he wilfully used the term "Certified Public Accountant" without a valid permit, in violation of Section 5055; and he wilfully and knowingly prepared, published and disseminated financial statements, reports or information that were false, fraudulent or materially misleading in that they were identified as being prepared by respondent as "Certified Public Accountants," when he was not licensed to practice public accountancy, in violation of Section 5100(i).

6. While Certificate No. 34053 was on probation, respondent materially failed to comply with condition 12 of the aforesaid probation in that he practiced as an individual practitioner under the plural designation "Certified Public Accountants," in violation of Board Rule 66.

7. Respondent attributes his above-described conduct to the dissolution of his marriage and to litigation.

8. The reasonable costs incurred by the Board in the investigation and prosecution of this case total \$4,071.06.

LEGAL BASIS

9. The evidence established that while Certificate No. CPA 34053 was on probation, respondent materially violated conditions 12, 13 and 16 of that probation; wherefore, the Board may, under condition 23 of that probation, revoke that probation and impose such discipline as it deems appropriate.

10. Respondent's material violations of probation conditions 12, 13, 16, and each of them, constitute unprofessional conduct under probation condition 23 and subjects Certificate No. CPA 34053 to discipline under Section 5100.

11. The evidence established that respondent wilfully violated Sections 5050, Section 5055 and Board Rule 87, which constitutes unprofessional conduct under Section 5100(f) and subjects Certificate No. CPA 34053 to discipline under Section 5100.

12. The evidence established that respondent knowingly prepared, published or disseminated false, fraudulent or materially misleading financial statements, reports, or information, which

constitutes unprofessional conduct under Section 5100(i) and subjects Certificate No. CPA 34053 to discipline under Section 5100.

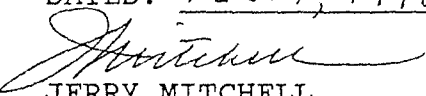
13. The Board has requested the Administrative Law Judge to make an order, pursuant to Section 5107, directing respondent to pay to the Board all reasonable costs of investigation and prosecution of this case, which was found to be \$4,071.06.

ORDER

Probation in Case No. AC-93-9 is revoked pursuant to condition 23 of that probation; and Certificate No. CPA 34053, heretofore issued to respondent Jeffrey R. Palmer, is revoked pursuant to that same condition.

Certificate No. CPA 34053 is separately revoked pursuant to Business and Professions Code section 5100.

Respondent Jeffrey R. Palmer is directed to pay \$4,071.06 to the Board of Accountancy pursuant to Business and Professions Code section 5107, as that section interacts with Business and Professions Code section 5100(i).

DATED: FEB. 4, 1998

JERRY MITCHELL
Administrative Law Judge

DANIEL E. LUNGREN, Attorney General
of the State of California
MICHAEL R. GRANEN
Deputy Attorney General
300 South Spring Street, 10th Floor
Los Angeles, California 90013
Telephone: (213) 897-2537

Attorneys for Complainant

BEFORE THE
BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation and Petition to)	NO. D1-93-9
Revoke Probation Against:)	
JEFFREY R. PALMER)	ACCUSATION AND
1631 Pontius Avenue)	PETITION TO
Los Angeles, CA 90025)	REVOKE PROBATION
Certified Public Accountant)	
Certificate No. 34053)	
Respondent.)	

CAROL SIGMANN alleges:

1. Complainant, Carol Sigmann, is the Executive Officer of the California State Board of Accountancy (hereinafter the "Board") and brings this Accusation and Petition solely in her official capacity.

LICENSE AND DISCIPLINARY HISTORY

2. On or about January 29, 1982, Certified Public Accountant Certificate No. CPA 34053 was issued by the board to Jeffrey R. Palmer (hereinafter "respondent"), and thereafter said license has been in full force and effect, except that said license was disciplined by the Board in its Decision and Order effective July 29, 1994, in case no. AC-93-9 (hereinafter "Board's Decision"), and expired on February 1, 1995. True and correct

copies of the Accusation, Stipulation for Settlement and Decision of the Board of Accountancy Regarding Jeffrey R. Palmer, are attached hereto as Exhibit A and incorporated herein as though fully set forth.

3. The Board's Decision provides that respondent's certificate is placed on probation for a period of three years, on terms and conditions which include:

(12) Respondent shall obey all federal, California, other states' and local laws, including all published rules, relating to the practice of public accountancy in California.^{1/}

(13) During the term of probation, Respondent shall conduct all of his engagements in the State of California in accordance with applicable published professional standards and SBA published rules, including, but not limited to, those applicable to the following:

(a) compilation of financial statements;

(b) compilation of prospective financial statements;

(c) compilation of pro forma financial information.

(16) Respondent, within 10 days of completion of the quarter, shall submit quarterly written reports to the Board on a form obtained from the Board.

(23) Any material failure by Respondent to comply with any of the terms of the stipulation shall be considered an act of unprofessional conduct in violation of California Business and Professions Code Section 5100. In the event of such violation, the Board, after giving Respondent notice and an opportunity to be heard pursuant to the provisions of the Administrative Procedure Act, may revoke probation and impose such discipline as it deems appropriate, up to and including revocation of CPA No. 34053.

(24) If an accusation or petition to revoke probation is filed against Respondent during the probationary period, the Board shall have continuing jurisdiction until

1. The paragraph numbers used refer to the numbering in the stipulation (Exhibit A, Stipulation).

1 the matter is final and the period of probation shall be extended until the matter is final.

2 (25) In any subsequent proceedings by the Board against Respondent,
3 either for a material failure to comply with any of the terms of this Stipulation or for any
4 other reason, the Board, in determining the appropriate discipline, may take into account the
5 terms of this stipulation.

6 4. The Board's decision further provides that for purposes of the stipulation
7 and any future proceedings or action by or before the Board, respondent does not contest the
8 allegations of the Accusation.

9 STATUTES AND REGULATIONS

10 5. California Business and Professions Code (hereinafter "Code") Section
11 5100 provides that the Board may revoke, suspend or refuse to renew any permit or
12 certificate issued by the Board, or may censure the holder of any such permit or certificate
13 for unprofessional conduct, which includes, but is not limited to:

14 (f) willful violation of this chapter or any rule or regulation
15 promulgated by the board under the authority granted under this chapter.

16 (i) Knowing preparation, publication or dissemination of false,
17 fraudulent, or materially misleading financial statements, reports, or information.

18 6. Pursuant to section 118(b) of the Code, the suspension, expiration, or
19 forfeiture by operation of law of a license issued by the Board shall not, during any period
20 within which it may be renewed, restored, reissued or reinstated, deprive the Board of its
21 authority to institute or continue a disciplinary proceeding against the licensee upon any
22 ground provided by law or to enter an order suspending or revoking the licensee on any such
23 ground.

24 7. Section 5070.6 of the Code provides that an expired permit may be
25 renewed at any time within five years after its expiration upon compliance with certain
26 requirements.

27 8. Section 5050 of the Code provides that no person shall engage in the

1 practice of public accountancy in this state unless such person is the holder of a valid permit
2 to practice public accountancy issued by the Board.

3 9. Section 5051 of the Code provides that a person is engaged in the practice
4 of public accountancy if he or she does any of the following:

5 (a) holds himself or herself out to the public in any manner as one
6 skilled in the knowledge, science and practice of accounting, and as qualified and ready to
7 render professional services therein as a public accountant for compensation.

8 (b) Maintains an office for the transaction of business as a public
9 accountant.

10 (c) Offers to prospective clients to perform for compensation, or who
11 does perform on behalf of clients for compensation, professional services that involve or
12 require an audit, examination, verification, investigation, certification, presentation, or
13 review, of financial transactions and accounting records.

14 (d) Prepares or certifies for clients reports on audits or examinations of
15 books or records of account, balance sheets, and other financial, accounting and related
16 schedules, exhibits, statements, or reports which are to be used for publication or for the
17 purpose of obtaining credit or for filing with a court of law or with any governmental
18 agency, or for any other purpose.

19 (e) In general or as an incident to that work, renders professional
20 services to clients for compensation in any or all matters relating to accounting procedure
21 and to the recording, presentation, or certification of financial information or data.

22 (f) Keeps books, makes trial balances, or prepares statements, make
23 audits, or prepares reports, all as a part of bookkeeping operations for clients.

24 10. Section 5055 of the Code provides that only a certified public accountant
25 with a valid permit to practice can use the term "certified public accountant" or the
26 abbreviation "CPA."

1 11. Board Rule 66^{2/} provides that an individual practitioner shall not use the
2 plural designation "Certified Public Accountants."

3 12. Board Rule 87 provides that a licensee shall be required, as a condition of
4 active status license renewal, to have at least 80 hours of qualifying continuing education in
5 the two-year period immediately preceding license renewal.

6 13. Board Rule 89 requires that a licensee upon renewal, must provide a
7 written statement, signed under penalty of perjury, certifying completion of the continuing
8 education hours required under Board Rule 87.

9 14. Section 5107 of the Code provides that the executive officer of the Board
10 may request the administrative law judge to direct a respondent found guilty of
11 unprofessional conduct in violation of section 5100(i) to pay to the Board all reasonable costs
12 of investigation and prosecution of the case, including, but not limited to, attorneys' fees.

13 VIOLATIONS OF ACCOUNTANCY ACT AND PROBATION

14 15. Respondent is subject to discipline by the Board for failing to comply with
15 the terms of his probation, which violations are also unprofessional conduct under probation
16 condition number 23, and for unprofessional conduct under Section 5100 and 5100(f) and (i),
17 of the Code by reason of the following acts:

18 A. Respondent failed to submit quarterly reports for the quarters ended
19 March 31, 1995, June 30, 1995, September 30, 1995, December 31, 1995, and March 31,
20 1996, within 10 days of completion of the quarter, as required by condition 16 of his
21 probation which is an act of unprofessional conduct under Section 5100 and probation
22 condition number 23.

23 B. Respondent, after his certificate expired on February 1, 1995,
24 compiled and reported on financial statements, including but not limited to, compiling and
25 reporting on financial statements on or about April 19, 1996 under the name, and on the
26 _____

27 2. The Board's Rules are found in Title 16 California Code of Regulation, with section
numbers corresponding to the Rule numbers listed herein.

1 letterhead of, "Palmer & Company, Certified Public Accountants." This conduct violates
2 probation condition number 12 (obey all laws and Board rules) and number 13 (follow Board
3 Rules in conducting engagements) and is also unprofessional conduct under Section 5100,
4 5100 (f) and (i) and probation condition number 23, in that respondent, by this conduct:

5 (i) engaged in the practice of public accountancy without a valid
6 permit in violation of Section 5050 of the Code;

7 (ii) engaged in the practice of public accountancy without the
8 required 80 hours of continuing education required for license renewal under Board Rule 87.

9 (iii) used the term "Certified Public Accountant" without a valid
10 permit in violation of Section 5055 of the Code;

11 (iv) knowingly prepared, published and disseminated financial
12 statements, reports or information that were false, fraudulent or materially misleading in that
13 they identified as prepared by respondent as "Certified Public Accountants," when he was in
14 fact not licensed to practice public accountancy, in violation of Section 5100 (i) of the Code.

15
16 C. Respondent during the period of his probation practiced as an
17 individual practitioner under the plural designation "Certified Public Accountants" in
18 violation of Board Rule 66 and condition 12 of his probation and which is also unprofessional
19 conduct under Section 5100, 5100 (f) and probation condition number 23.

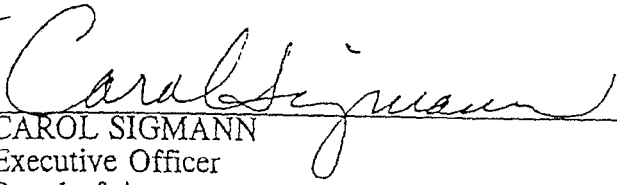
20 **PRAYER**

21 **WHEREFORE**, the complainant requests that a hearing be held on the
22 matters herein alleged, and that following said hearing, the Board issue a decision:

- 23 1. Revoking respondents probation.
24 2. Revoking Certified Public Accountant certificate Number CPA 34053,
25 heretofore issued to respondent Jeffrey R. Palmer.
26 3. Directing Jeffrey R. Palmer to pay to the Board of Accountancy its
27 reasonable cost of investigation and prosecution of this matter as provided in Section 5107.

4. Taking such other and further action as the Board deems proper.

DATED: January 24, 1997


CAROL SIGMANN
Executive Officer
Board of Accountancy
Department of Consumer Affairs
State of California

Complainant

C:\...Palmer.pet

EXHIBIT A

EXHIBIT A

1 DANIEL E. LUNEN, Attorney General
of the State of California
2 MICHAEL R. GRANEN, Deputy Attorney General
Office of the Attorney General
3 300 South Spring Street
Los Angeles, California 90013
4 Telephone: (213) 346-2537

5 ALLAN N. LITTMAN
ELIZABETH A. DAVIDSON
6 PILLSBURY MADISON & SUTRO
225 Bush Street
7 Post Office Box 7880
San Francisco, CA 94120-7880
8 Telephone: (415) 983-1000

9 Attorneys for Complainant

10

11 BEFORE THE BOARD OF ACCOUNTANCY

12 DEPARTMENT OF CONSUMER AFFAIRS

13 STATE OF CALIFORNIA

14

15 In the Matter of the Accusation)
Against:)

16)
LAVENTHOL & HORWATH)
17 CPA Partnership Certificate)
No. PAR 3098)

18)
JAY J. SHAPIRO, CPA Certificate)
19 No. CPA 25964;)
JERRY M. GOTLIEB, CPA Certificate)
20 No. CPA 6841;)
J. CARLOS G. PUNZALAN, CPA)
21 Certificate No. CPA 29907)

22)
PARKS, PALMER, TURNER &)
23 YEMENIDJIAN)
CPA Partnership Certificate)
No. PAR 3845)

24)
JAMES R. PARKS, CPA Certificate)
25 No. CPA 20481)
JEFFREY R. PALMER, CPA Certificate)
26 No. CPA 34053)

27)
_____)

28

No. AC-93-9

BUDGET FURNITURE RENTALS,
INC.

STIPULATION FOR SETTLEMENT
AND DECISION OF BOARD OF
ACCOUNTANCY REGARDING
CERTIFICATE OF JEFFREY R.
PALMER

STIPULATION

1 2. This Stipulation for Settlement of the Accusation
2
3 ("Stipulation") is made between Complainant Carol Sigmann,
4 Executive Officer of the Board of Accountancy for the State
5 of California ("the Board"), by and through her attorneys
6 Daniel E. Lungren, Attorney General of the State of
7 California, by and through Michael R. Granen, Deputy
8 Attorney General, and Allan N. Littman and Elizabeth A.
9 Davidson of the law firm of Pillsbury Madison & Sutro; and
10 Respondent Jeffrey R. Palmer ("Respondent") by and through
11 his attorney Barry E. Fink of the law firm of Christensen,
12 White, Miller, Fink & Jacobs.

13 2. Respondent understands that, by signing this Stip-
14 ulation, he is waiving his rights to contest this matter,
15 including but not limited to, his right to a hearing, as set
16 forth in detail below in the paragraph titled "WAIVER."

17 3. Respondent understands that this Stipulation is
18 subject to adoption or rejection by the Board. If the
19 Stipulation is not adopted as the Decision of the Board, it
20 shall have no force or effect, except that Respondent shall
21 continue to be bound by the provision of paragraph 4.

22 4. Respondent understands that, in deciding whether
23 to adopt this Stipulation, the Board may receive oral and
24 written presentations from, and make inquiries of, Complain-
25 ant, her attorneys, representatives of the Department of
26 Consumer Affairs, the Board's attorneys, consulting experts,
27 and members of the Board and the Board's Administrative
28 Committee. Respondent waives the right, if any, to

1 disqualify or otherwise challenge the participation of any
2 such persons in this or any other current or future matter
3 before the Board by reason of such communications.

4 5. The Board has jurisdiction in this matter by
5 reason of service on, and receipt by, Respondent of the
6 Accusation filed by Complainant on or about September 25,
7 1992 (the "Accusation"), Statement to Respondent, Form of
8 Notice of Defense and copies of Government Code sections
9 11507.5, 11507.6 and 11507.7, and Respondent having filed a
10 notice of defense within the time prescribed by law and/or
11 otherwise notified Complainant of his intent to defend
12 against the Accusation.

13 6. For the purpose of this Stipulation, and any
14 future proceeding or action by or before the Board, and for
15 no other purpose or proceeding, Respondent neither admits
16 nor denies, but does not contest, the allegations of the
17 Accusation, a copy of which is attached hereto and
18 incorporated herein by reference. Respondent admits that
19 the Board has jurisdiction in this proceeding and consents
20 to the imposition of discipline as set forth in paragraphs 7
21 through 26.

22

23

DISCIPLINE IMPOSED

24

25

26

27

28

7. Certified Public Accountant Certificate No. CPA
34053, issued to Jeffrey R. Palmer, is placed on probation
for a period of three (3) years under the following terms
and conditions.

1 8. Respondent shall, within the period of probation,
2 complete 100 hours of community service as approved by the
3 Administrative Committee of the Board.

4 9. Respondent shall, within the period of probation,
5 complete 40 hours of continuing professional education as
6 prescribed by the Administrative Committee of the Board.
7 Said hours shall include a course and examination in
8 professional ethics. The professional education hours
9 provided for pursuant to this paragraph shall be in addition
10 to the continuing education hours required for licensure as
11 a CPA.

12 10. If requested by Complainant, Respondent shall
13 testify fully and truthfully to the facts relating to the
14 matters covered in the Accusation as he understands them,
15 whether in writing, by affidavit, declaration or otherwise,
16 through interviews and/or through live testimony in any
17 administrative, regulatory, civil or other proceeding.

18 11. If requested by Complainant, Respondent shall
19 promptly provide the Board and any of the Board's agents or
20 employees with copies of all documents, records, writings
21 and other materials, including workpapers, in Respondent's
22 possession, custody or control which relate to the matters
23 set forth in the Accusation.

24 12. Respondent shall obey all federal, California,
25 other states' and local laws, including all published rules,
26 relating to the practice of public accountancy in
27 California.

28

1 13. During the term of probation, Respondent shall
2 conduct all of his engagements in the State of California in
3 accordance with applicable published professional standards
4 and SBA published rules, including, but not limited to,
5 those applicable to the following:

6 (a) compilation of financial statements;

7 (b) compilation of prospective financial
8 statements;

9 (c) compilation of pro forma financial
10 information;

11 (d) conflicts of interest; and

12 (e) acceptance of unlawful commissions.

13 14. Within thirty (30) days of execution and adoption
14 of this Stipulation by the Board, Respondent shall resign
15 from any engagements existing as of the adoption date and
16 discontinue any conduct involving a conflict of interest or
17 potential conflict of interest unless Respondent first, and
18 in writing:

19 (a) fully discloses to the client the scope
20 and extent of the conflict of interest or
21 potential conflict;

22 (b) advises the client that a conflict of
23 interest may exist;

24 (c) obtains a waiver from the client with
25 respect to such conflict or potential conflict;
26 and

1 (d) notifies the Administrative Committee of
2 the Board and maintains complete documentation for
3 inspection by said Committee.

4 15. During the term of probation, Respondent shall
5 not:

6 (a) accept payments for services to clients from
7 any person or entity other than: (1) the client for
8 which the service is rendered and (2) an entity owned,
9 controlled or created (in the case of trusts and
10 foundations) by the client or the family of the client;

11 (b) accept any engagement or engage in any
12 conduct which places any professional within his or his
13 accounting firm's employ in a conflict of interest
14 situation unless he first, and in writing complies with
15 the requirements of paragraphs 14(a) through 14(d).

16 (c) refer, recommend or otherwise encourage any
17 of his clients to invest, whether financially or
18 otherwise, in ventures managed or controlled by himself
19 or his accounting firm; or

20 (d) refer, recommend or otherwise encourage any
21 of his clients to invest, whether financially or
22 otherwise, in ventures managed or controlled by any of
23 his or his firm's other clients unless Respondent
24 first, and in writing:

25 (1) fully discloses to the client the scope
26 and extent of his or his firm's interest;

27 (2) advises the client that a conflict
28 of interest may exist;

1 (3) obtains a waiver from the client
2 with respect to such conflict; and

3 (4) notifies the Administrative Commit-
4 tee of the Board and maintains complete docu-
5 mentation for inspection by said Committee.

6 16. Respondent, within 10 days of completion of the
7 quarter, shall submit quarterly written reports to the Board
8 on a form obtained from the Board.

9 17. Respondent shall report to and make personal
10 appearances at meetings of the Administrative Committee at
11 the Board's notification, provided such notification is
12 accomplished in a timely manner.

13 18. Respondent shall cooperate fully with the Board
14 and with any of its agents or employees in their review,
15 supervision and investigation of compliance with the terms
16 and conditions of his probation, including the Board's
17 Probation Surveillance Compliance Program, and their inves-
18 tigation or inquiry into all or certain parts of his
19 professional practice. Respondent shall promptly produce
20 all files and other documents and information requested by
21 the Board and any of the Board's agents or employees.

22 19. Respondent shall be subject to and shall permit a
23 practice investigation of his professional practice. Such a
24 practice investigation shall be conducted by representatives
25 of the Board whenever designated by the Administrative
26 Committee, provided notification to Respondent of such
27 investigation is accomplished in a timely manner.

28

1 20. Respondent shall comply with all final orders
2 resulting from citations issued by the Board.

3 21. In the event Respondent leaves California to
4 reside or practice outside the state, Respondent must notify
5 the Board in writing of the dates of departure and return.
6 Periods of residency or practice outside California will not
7 apply to reduction of the probationary period.

8 22. In the event Respondent fails to satisfactorily
9 complete any provision of the order of probation, which
10 failure results in the cessation of practice, all other
11 provisions of probation other than the quarterly report
12 requirements, examination requirements, education
13 requirements, and Administrative Committee appearances,
14 shall be held in abeyance until Respondent is permitted to
15 resume practice. All provisions of probation shall
16 recommence on the effective date of resumption of practice.
17 Periods of cessation of practice will not apply to the
18 reduction of the probationary period.

19 23. Any material failure by Respondent to comply with
20 any of the terms of this Stipulation shall be considered an
21 act of unprofessional conduct in violation of California
22 Business and Professions Code Section 5100. In the event of
23 such violation, the Board, after giving Respondent notice
24 and an opportunity to be heard pursuant to the provisions of
25 the Administrative Procedure Act, may revoke probation and
26 impose such discipline as it deems appropriate, up to and
27 including revocation of CPA No. 34053.

1 24. If an accusation or petition to revoke probation
2 is filed against Respondent during the probationary period,
3 the Board shall have continuing jurisdiction until the
4 matter is final and the period of probation shall be
5 extended until the matter is final.

6 25. In any subsequent proceeding by the Board against
7 Respondent, either for a material failure to comply with any
8 of the terms of this Stipulation or for any other reason,
9 the Board, in determining the appropriate discipline, may
10 take into account the terms of this Stipulation.

11 26. Upon successful completion of probation,
12 Respondent's CPA Certificate shall be fully restored.

13 Dated: June 16, 1994 .

DANIEL E. LUNGREN, Attorney
General of the State of
California
MICHAEL R. GRANEN, Deputy
Attorney General

PILLSBURY MADISON & SUTRO
ALLAN N. LITTMAN
ELIZABETH A. DAVIDSON

19 By 
20

MICHAEL R. GRANEN

Deputy Attorney General
Attorneys for Complainant

23 Dated: 3/31/94 .
24

By 
25

BARRY E. FINK

Attorney for Respondent
Jeffrey R. Palmer

WAIVER

I have read the Accusation and Stipulation and its terms and conditions are understood by me and are agreeable and accorded to by me. I understand that I am waiving certain rights accorded to me by the Administrative Procedure Act (Government Code section 11500 et seq.), including a right to a hearing on the charges and allegations in the Accusation, the right to confront and cross examine witnesses who would testify against me, the right to present evidence in my favor and call witnesses on my behalf, to testify myself, to contest the charges and allegations, the right to petition for reconsideration of the Board's decision and the right to seek review of that decision by the courts. I understand in signing this Stipulation rather than contesting the Accusation, I am enabling the Board to issue an order imposing upon me the discipline recited herein without further process or proceeding. I knowingly and intelligently waive all of the above rights and any other rights which may be accorded to me by the Administrative Procedure Act or other laws.

Dated: 3/28, 1994.


Jeffrey R. Palmer
Respondent

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Dated this 29th day of June, 1994.

Effective Date: July 29, 1994

